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Liberia

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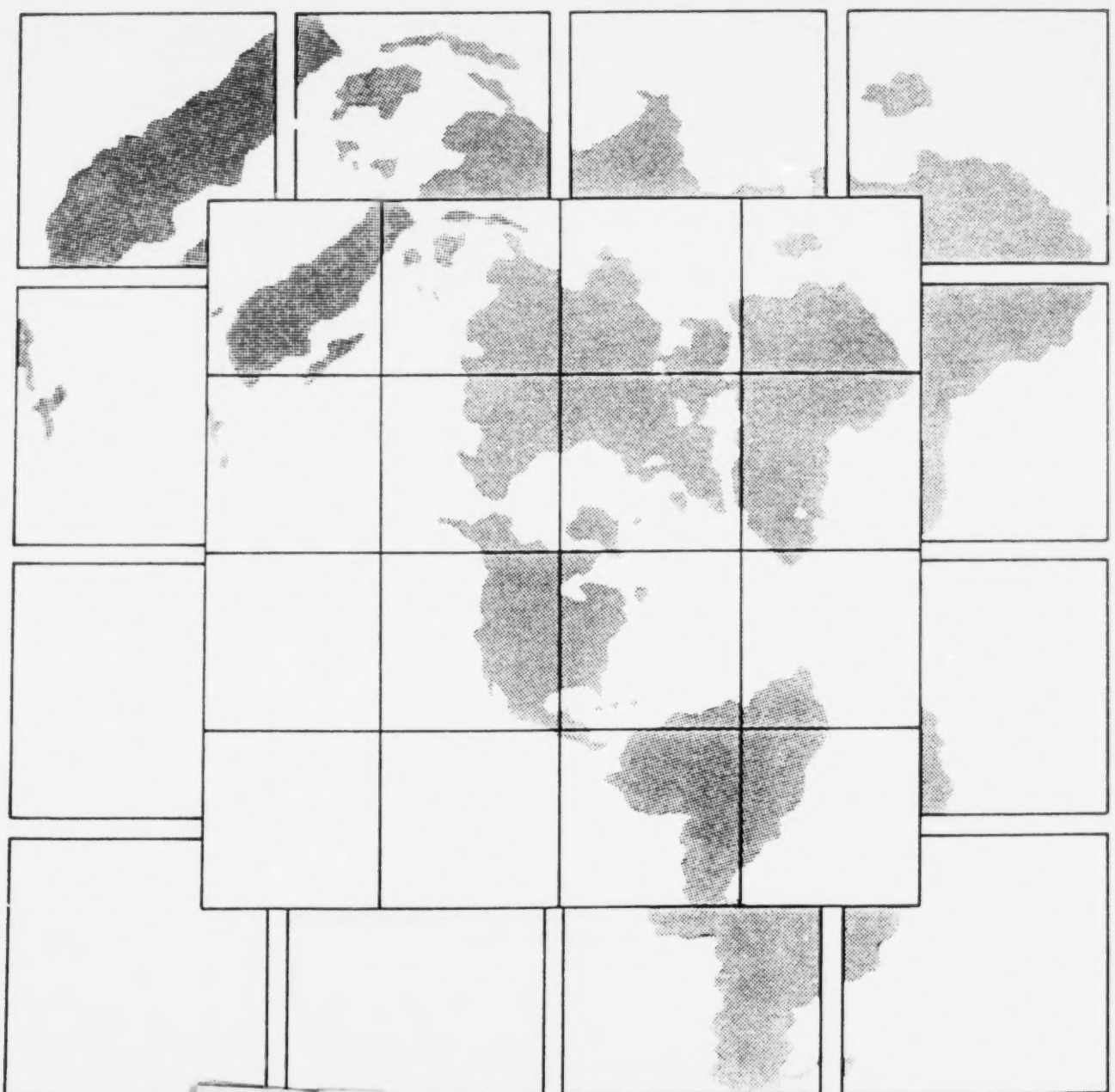

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FOREIGN LABOR TRENDS REPORT

LIBERIA

1988-89

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KEY LABOR INDICATORS

Previous or Base Year (in parentheses), and percent change from previous year:

	1986	1987	1988	%Change
1. Per capita GNP, Current Prices ($)		421	423	0.5
2. ---, constant prices	408	403		-1.2
3. Population, total (000)		2,281	2,361	3.5
---, Major ethnic groups (%)				
Kpelle			19	
Bassa			14	
Grebo			9	
Gio			8	
Kru			7	
Krahn			3	
Other Indigenous			38	
Americo-Liberian			2	
4. Birth rate (per 1,000)		47.3	48	
5. Life expectancy at birth, total		55		
6. Adult literacy rate (%)	15-20	15-20		
7. Labor force, civ., total (000)	1,290		1,349	4.6
8. Employment, civilian (000)	676		701	3.7
---, in industry	28.5		27.8	-2.5
---, in agriculture	538		570	6.0
---, in services	58.7		60	2.2
9. Urban unemployment rate (%)		43	43	-
10. Minimum wage rates ($/day)		2	2	-
11. Average weekly earnings (1983)				
Laborer	24			
Clerk	45			
Mechanic	55			
Commercial Specialist	239			
12. Avg. hrs. worked/ week (1983)	44			
13. Unionization of labor (%)		15	15	-
14. Avg. pers. income per year, monetary sector, curr. prices ($)			2,500	
15. Avg. disposable income after taxes, mandatory withholding ($)			2,000	
16. Rate of change in consumer prices during preceding year		15.5	20	29

POLITICAL AND ECONOMIC BACKGROUND

Liberia is a small West African nation of approximately 2.3 million people. Africa's oldest independent republic, it was founded in the early Nineteenth Century by freed American slaves, who established political and social control over the indigenous population. After declaring its independence in 1847, Liberia embarked on a 133-year period of relative political stability.

In April 1980, Master Sergeant Samuel Kanyon Doe and 16 other enlisted soldiers of indigenous origin led a successful coup against the government of President William Tolbert. The new military government, the People's Redemption Council (PRC), suspended the constitution, banned all political activity, and imposed martial law. It later pledged to restore civilian rule by 1985 and appointed a commission to draft a new constitution. The new constitution was ultimately approved in a national referendum in July 1984, at which point the PRC lifted the ban on political activity, appointed an Interim National Assembly, and announced a schedule leading to presidential and legislative elections in 1985. Four political parties contested the October 1985 elections, which were marked by controversy. Amid reports of electoral fraud, authorities declared that Head of State Doe had won the presidency by a small majority and that his party, the National Democratic Party of Liberia (NDPL), had won 80 percent of the seats in the legislature. The opposition parties disputed the results and to this date refuse to participate fully in the legislature, although some opposition candidates did take their seats.

Despite political unrest that followed an attempted coup in November 1985, the transition to civilian rule proceeded according to schedule and, on January 6, 1986, Samuel Doe was inaugurated as President and the new constitution, modeled after the American example, went into effect. Since the return to civilian rule, there has been a general reduction in political tensions as the nation's attention has turned more toward economic development issues.

Approximately 80 percent of Liberia's employed labor force is in subsistence agriculture. The monetary sector is based primarily on iron ore, rubber, and timber. The iron ore sector has traditionally been Liberia's main foreign exchange earner, but suffered a period of decline as a result of low world prices and diminishing reserves of high-grade ore. The Liberian-Swedish Mining Company (LAMCO), once one of Liberia's largest employers, has announced plans to phase out its Liberia operations by mid-1989, but proposals are being explored to preserve the LAMCO facilities to exploit substantial ore

deposits just across the Guinea border. Large scale rubber production was introduced to Liberia in 1926 by Firestone, which manages the world's largest contiguous rubber plantation in Harbel, and is currently booming. Other major plantations are operated by Guthrie, a British/American company, and the American-owned Liberian Agricultural Company (LAC). Liberia's relatively young timber industry has enjoyed rapid growth in recent years, despite concerns of negative environmental effects. Other significant export industries include gold and diamond mining and coffee and cocoa production.

The Liberian economy has faced hard times in the 1980's. Serious deficiencies in fiscal and monetary policies have fueled growing government budget deficits, liquidity crises, foreign exchange shortages, external debt service arrearages, and balance of payments disequilibria. A U.S. Government attempt to supply financial expertise to Liberian ministries and improve fiscal responsibility failed when the U.S. experts and their accounting safeguards were routinely circumvented. Until 1988, falling world prices for iron ore and rubber seriously depressed export earnings, resulting in the reduction of the work force in these two important sectors. Economic recovery has been hampered by business and investor uncertainty over the government's economic policies. Nevertheless, by 1988, indications emerged that the long economic decline had bottomed out and some sectors, especially rubber, were expanding.

EMPLOYMENT

The Liberian Government's most recent estimates show 1,349,000 in the labor force, defined as those age 10-64. Of that total, 701,000 are actually employed, approximately 80 percent in subsistence agriculture and 20 percent in the monetary sector, although the latter accounts for roughly 85 percent of the gross domestic product (GDP). (Government figures may omit some rural residents engaged in part-time family farming.) About nine percent of those with jobs are employed in wage sector agriculture. Outside of agriculture, the largest employer is the government which employs approximately six percent of all workers.

The underemployment which characterizes traditional agriculture in Africa makes it difficult to quantify the unemployment rate. It is evident, however, that unemployment in urban areas has increased significantly in the last decade. Government estimates place urban unemployment at 43 percent, and accelerating urbanization is likely to further exacerbate the problem.

GOVERNMENT LABOR POLICY

In the last several years, the government has permitted labor unions greater freedom to organize and conduct their internal affairs than they experienced before the 1980 coup. For example, after taking power in 1980, the PRC lifted the previous government's prohibition against the unionization of agricultural workers, allowing thousands of workers on the large rubber plantations to organize. Since then, dozens of new unions have been organized in various economic sectors throughout the country.

Nonetheless, organized labor still operates under some legal restrictions, most notably the 1980 prohibition against strike action contained in PRC decree 12. In May of 1988, citing inter alia PRC decree 12, the Lawyer's Committee on Human Rights filed a petition with the United States Trade Representative (USTR) seeking to revoke Liberia's privileges under the Generalized System of Preferences (GSP). The petition accused the government of denying workers "internationally recognized worker's rights." Specifically, it alleged that the government does not allow unions to organize freely, does not allow civil servants to organize at all, pressures workers to belong to the ruling National Democratic Party of Liberia, and forbids all strikes.

After considering the charges and hearing testimony from various sources, the USTR decided to "pend" the decision for a year, citing the ambiguity of several of the charges and the government's professed desire to pass a new labor code. The code was prepared by the Interim National Assembly and has been awaiting passage by the legislature since 1986. The new law would bring Liberia's labor laws more closely in line with international standards of workers rights, most importantly by restoring the right to strike under certain conditions. With the expected arrival in May of an ILO representative to help lobby for the legislation, combined with the support of Liberian unions and the personal interest of the Labor Minister, the government of Liberia has predicted smooth passage of the bill in 1989.

Although the Constitution guarantees workers the right of association, the government does not recognize the right of civil servants or employees of public corporations to unionize. In August 1987, two legislators introduced a Civil Service Reform bill that would have codified this restriction and also enjoined government employees from membership in political parties. Widespread opposition to the bill from the public and unions caused it to stall in the legislature, where it has remained ever since. Despite the restrictions against

unionization of government workers, the Government has permitted public sector employees to organize "professional associations." The National Teacher's Association of Liberia has been the most active and outspoken of those associations.

For the last several years, the Liberian government has pursued--with varying degrees of intensity--a policy of "Liberianization." The stated intent of the policy is to reduce unemployment and increase Liberian participation in the economy by seeking to replace expatriate employees with qualified Liberian nationals. In practice, the policy has met with only limited success and expatriate employees continue to be heavily represented in technical, professional, administrative and managerial positions. In July 1988, a bill was introduced in the legislature which would restrict certain categories of businesses and service professions to Liberians, but no action was taken on the measure.

LABOR UNIONS

The premier labor group in Liberia is the Liberian Federation of Labor Unions (LFLU), the country's only umbrella labor organization. The LFLU currently has 10 affiliated unions, with a total nominal membership of approximately 15,000. LFLU affiliates include the Firestone Agricultural Workers; the National Union of Plantation, Agricultural, and Allied Workers; the Maritime, Seamen, Ports and General Workers Union; the Domestic, Commercial, Clerical, and General Services Union; the National Timber, Wood and Construction Workers Union; and the LAMCO Workers Union. Internationally, the LFLU is affiliated with the International Confederation of Free Trade Unions (ICFTU). It also has close ties with the African-American Labor Center (AALC), an arm of the AFL-CIO, with a representative stationed in Liberia. The AALC, in conjunction with the LFLU, undertakes an ambitious labor education and organization program in Liberia.

The LFLU held its second quadrennial convention in Monrovia in May 1988. Over 100 delegates from the LFLU's 10 affiliates gathered to reelect James N. Davies (who had been the acting president since April 1987) as the President of the LFLU and Amos Gray as Secretary General. The losing candidates protested the election results, however, and the ensuing court battles continued into 1989, hampering the federation's ability to speak or act effectively.

In January 1988, a presidential commission declared that the December 1987 strike at Bong Mines had been illegal and recommended that the union's leaders be suspended and prosecuted. Before the government could take action, though,

the union's shop stewards voted to suspend the entire executive committee of the union for "maladministration and misappropriation." The suspended leaders were subsequently dismissed from both their union positions and their jobs pending prosecution for their alleged malfeasance.

There were two significant job actions in 1988, neither of which was successful in attaining the workers' demands. The Bong Mine Workers Union carried out the longest job action of 1988 when it went out on strike in October. The workers protested deductions from their salaries for the new Liberian social security scheme. Concerned about the viability of the scheme, they demanded to be exempted from it. After several days, President Doe ordered all the workers to go back to work or face dismissal, saying that he would look into their grievances. Virtually all workers returned to work and deductions for the social security plan continue to be made from their paychecks.

On October 26, approximately 800 of the 4,000 workers at the LAC rubber plantation went on strike to protest the management's refusal to recognize the newly-elected union president on the grounds that his job made him ineligible for union office. Police and military intervened after receiving reports that the minority of workers who had gone on strike were threatening and harassing those who had not. Order was restored and the strike leaders were arrested.

There were several other incidents of actual or threatened walkouts by industrial workers and teachers demanding settlement of salary arrears. Most were settled quickly with some form of compromise between workers and management, although a one-day walkout at the the Mesurado Industrial Complex, a light manufacturing facility near Monrovia, was broken up by police.

In November, the ILO's Committee on Freedom of Association declined to act on an allegation of government interference in an election for the presidency of the National Seamen's, Ports and General Worker's Union of Liberia. The Committee confined itself to recommending passage of the new labor code and hoping that the union's own membership would resolve any disputes internally in the future.

In March of 1989 there was a disturbance at the headquarters of the nearly defunct National Iron Ore Corporation. Ex-workers, who had earlier received only partial payment of severance benefits, confronted the management and demanded the remainder. A week later, representatives of labor, management, and the Ministry of Finance announced a plan

for payment of a further 25 percent of the $1.2 million still owed the workers.

The Brussels-based World Confederation of Labor (WCL) conducted a one-week seminar in Monrovia in May 1988, which was attended by most of the non-LFLU-affiliated unions and labor associations, including the National Agricultural & Allied Workers Union of Liberia, the Bong Mine Workers Union, the National Teachers Association, the Federation of Transport Unions, and the National Seamens Union. No Liberian union is currently affiliated with either the WCL or the Prague-based World Federation of Trade Unions (WFTU).

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